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AG Bruning Announces Multi-State Settlement With TJX Companies, Inc. Over Massive Data Breach

Nebraska to Receive \$25,146 for Consumer Protection Efforts

Note: A sound bite on this topic will be available shortly at: http://www.ago.ne.gov

June 23, 2009, 4:00 p.m.

(Lincoln, Neb.) Attorney General Bruning today announced a settlement between the TJX Companies, Inc., and 41 other states including Nebraska. The settlement resolves an investigation concerning TJX's data security practices and whether it adequately protected customers' financial information and sufficiently guarded against a massive data breach that placed personal data of more than 200 Nebraskans and thousands of consumers nationwide at risk.

"A data breach leaves consumers vulnerable and erodes a company's hard-earned reputation," said Bruning. "That's why securing information is so critical. Safeguarding data today will help protect businesses and their customers tomorrow."

TJX, who owns TJ Maxx and Marshalls, agreed to pay \$9.75 million to the states. Under the settlement, \$5.5 million will be dedicated to data protection and consumer protection efforts. Nebraska will receive \$25,146. Two and a half million will fund a Data Security Trust Fund to be used by the state attorneys general to advance enforcement efforts and policy development in protecting consumers' personal information and data security. TJX will also implement and maintain a comprehensive information security program to address weaknesses in its computer security systems in place at the time of the breach.

In 2007, after TJX announced that thieves had obtained unauthorized access to its computer systems enabling them to seize cardholder data and other personal information, the coalition of attorneys general conducted an extensive investigation into TJX's data security policies. The investigation uncovered a number of vulnerabilities and flaws in its data security systems.

Today's settlement reflects the lessons learned from that data breach and requires TJX to implement an information security program designed to guard against future intrusions or unauthorized disclosures.

Assistant Attorney General Leslie Levy handled the case.